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SUBJECT: BOSNIA: RADONCIC POISED TO BE A NEW PLAYER IN
BOSNIAK POLITICS

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[1](#)B. 09 SARAJEVO 1139
[1](#)C. 09 SARAJEVO 226
[1](#)D. 09 SARAJEVO 103
[1](#)E. 08 SARAJEVO 1593
[1](#)F. 09 SARAJEVO 1169
[1](#)G. SARAJEVO 61
[1](#)H. SARAJEVO 110

Classified By: Ambassador Charles English for reasons 1.4 (b) and (d).

Summary -----

[1](#)1. (S/NF) The emergence of a new Bosniak party, led by the powerful, reportedly corrupt, and sometimes vindictive media mogul Fahrudin Radoncic, is likely to create further rifts in the Bosniak political scene, particularly amid the campaign for the October 2010 general elections. Radoncic has the support of the leader of the Islamic community. Also, Radoncic's ownership and direct control of the most widely-read daily newspaper in Bosnia will ensure that his campaign message is well propagated. Radoncic's reputation for questionable business ventures with partners from across the political spectrum, combined with his likely desire for influence over the judiciary to escape prosecution for corruption, suggests that he will seek political alliances based on lucrative personal prospects, rather than ideology or even ethnic affiliation. Although it is too early to make concrete predictions, Radoncic's party is poised to capture votes primarily from Haris Silajdzic's Party for BiH (SBiH), as well as a wide swath of apathetic voters allured by his pledges to fix the economy. End summary.

The Man, the Legend -----

[1](#)2. (C) Fahrudin Radoncic rose from relative poverty and obscurity after the 1992-95 BiH war to become the founder and owner of Bosnia's leading publishing company, Avaz Publishing. This company is known especially for its production of the country's highest-circulation daily newspaper, Dnevni Avaz, but also for a small television news show and a number of widely-read magazines, such as Global. The success of Avaz has given Radoncic significant control of the Bosniak media. Avaz therefore has proven a powerful tool against Radoncic's opponents, particularly the police authorities investigating his role in corruption scandals. Although not a veteran politician himself, Radoncic through Avaz has played an active role in politics for over a decade,

with Bosniak political candidates vying for his media support. Candidates whom Avaz endorses for the Bosniak member of the Tri-Presidency -- most recently, Party for BiH (SBBiH) chairman Haris Silajdzic in 2006 -- usually succeed in elections. Radoncic also cultivates wide international ties, and Sead Numanovic, editor-in-chief of Avaz, is one of the most well-connected people in Bosnia.

The Scandals

¶3. (S/NF) Radoncic is widely believed to be responsible for corrupt business practices, most notably his role in a scandal involving the Federation Development Bank (FDB) (ref A). Radoncic admitted to having hired Ramiz Dzaferovic -- SDA member, director of the FDB -- to conduct an audit of Avaz through Dzaferovic's personal audit company. At the same time, Dzaferovic through the FDB gave Radoncic a loan of KM 22.5 million -- which the FDB had allocated for agriculture -- for the construction of Radoncic's Avaz Tower in Sarajevo. Separately, local media recently reported alleged ties between Radoncic and international drug dealer Kelmendi, which led Radoncic to launch a full-scale attack in the pages of Avaz against the police officials working on that case. Also, staff of the Office of the High Representative (OHR) recently linked Radoncic to an international money laundering scheme. This allegation, which was leaked to the press, sparked a smear campaign in Avaz against the Principal Deputy High Representative, a State Department employee on detail to OHR, somewhat belying Radoncic's claims that one of his priorities will be to

SARAJEVO 00000134 002 OF 004

cooperate with the international community.

The Entree into Politics

¶4. (C) In September 2009, Radoncic launched a new Bosniak political party, the Alliance for a Better Future of BiH (SBB-BiH) (ref B). Radoncic is almost certainly seeking political status in order to secure protection from the investigation of his illegal business deals by wielding government influence over the judiciary. Moreover, now may be a personally appealing time for Radoncic to enter politics, as media outlets besides Avaz indicate that Radoncic's business is struggling and that Avaz's chief rival daily newspaper, Oslobođenje, is rapidly catching up to Avaz in its sales. This suggests that the pragmatic Radoncic is entering the political scene to seek lucrative deals wherever he can find them, rather than choosing partners based on ideology or even ethnic affiliation. This approach would make him an appealing ally for Republika Srpska (RS) Prime Minister Milorad Dodik, who also dabbles in business and is himself under investigation for corruption. Dodik therefore may see Radoncic as his ideal Bosniak interlocutor. Indeed, Radoncic told the DCM in January that he has met with Dodik, as well as Croatian Democratic Union (HDZ)-BiH President Dragan Covic -- who has been indicted for corruption and is forging a closer relationship with Dodik (septel) -- and has a good relationship with both men. Moreover, the fact that Avaz has kept mostly quiet on the very issue that it could use to galvanize the Bosniak populace ahead of the election -- rhetoric on a referendum in the RS -- has led to speculation that discussions on a partnership between Dodik and Radoncic may already be underway.

The Setbacks

¶5. (S/NF) Despite any possible musings of a deal with Dodik, SBB-BiH appears to be off to a rocky start. Initial polls suggest that the party has a small following, and Radoncic has yet to attract any well-known personalities to join his party. His most notable party member besides himself is former state-level PM and former SDA member Adnan Terzic,

although Terzic's following within SDA was tenuous at best when he left the party. The other big name in SBB-BiH is Haris Basic, a former SDA member whom the Council of Ministers suspended as director of the Foreign Investment Promotion Agency (FIPA) due to the BiH Court's indictment against him for illegally issuing transport licenses. Radoncic also has not yet managed to form a founding party congress despite the high attendance at his kickoff rallies in Sarajevo, Tuzla, Zenica, and elsewhere. Also, Radoncic -- whose family is from the Sandzak region in Serbia -- carries a strong "Sandzak" accent when he speaks, which is anathema to many Bosnians. Moreover, he lacks persona charisma and is generally uncomfortable and awkward with interlocutors who are unfamiliar to him.

The Weapons

16. (S/NF) Despite these initial setbacks, Radoncic's expectations for electoral success are high. Through public hearings conducted by the BiH parliamentary working group on changes to the election law, Radoncic in January proposed an increase in the threshold for a party's representation in Parliament from three to five percent at the state and entity level. The parliamentary working group on changes to the election law rejected his proposal. Radoncic's most powerful weapon during the elections will be Avaz, and he already is using it as an advertising venue for his party. The economy, a major concern for Bosniak voters, is one of Avaz's key pre-election themes, as well as the incompetence of BiH's current leadership, particularly Bosniak tri-Presidency member Haris Silajdzic. Amid the country-wide economic crisis, these messages may well resonate with apathetic Bosniak voters. Indeed, Terzic told the DCM that this is one of SBB-BiH's key target groups in the election campaign.

The SBiH Political Vacuum

SARAJEVO 00000134 003 OF 004

17. (C) Radoncic's entree into the Bosniak political scene will most likely come at the expense of the deteriorating SBiH. SBiH garnered poor results in the 2008 municipal elections, and our SBiH contacts continue to tell us of the disgruntlement within the party with Silajdzic's poor leadership. Bakir Izetbegovic, who is a friend of Silajdzic, has suggested to us that Silajdzic may in fact be preparing to leave the political scene. Moreover, the Islamic community, which had previously endorsed Silajdzic, now supports Radoncic at the expense of SBiH. Avaz consistently maligns Silajdzic, calling him a "lying President" and a "mafia godfather" who steals from the poor. Radoncic also is seeking to fill Silajdzic's self-proclaimed role as the key Bosniak interlocutor with the USG. For example, his visit to Washington in February to attend the prayer breakfast, as well as his speech at the U.S. Institute of Peace, received widespread press throughout BiH, dwarfing that of the other BiH attendees.

The Boost from the Islamic Community

18. (S/NF) Silajdzic's victory in the 2006 presidential race stemmed from the same sources Radoncic has at his disposal -- Dnevni Avaz and Islamic community head Reis-ul-ulema Mustafa Cerić, whom Avaz quoted almost daily in the run-up to the 2006 elections and who was seen with Silajdzic at a number of important Islamic events (ref C). Although Radoncic is not at all devout, he and Reis Cerić have enjoyed a close relationship for over a year, most likely tied to Radoncic's gift of one million KM (approximately 714,000 USD) for the construction of the Reis's headquarters and residence in Sarajevo. Additionally, Reis Cerić is the only public figure whom Avaz has never criticized. Avaz regularly features the Reis on the front page, reports on his travels, and mocks

media outlets that criticize him. Avaz even posited a "different interpretation" of the conviction in February 2009 of an imam in Travnik on charges of pedophilia (ref D). Radoncic openly echoes the Reis's outcry against "Islamophobia" (ref E), most recently attacking former editor-in-chief of Federation TV (FTV) Duska Jurisic, who reported on Radoncic's role in the FDB scandal. Radoncic stated that "we cannot permit a person who is not Muslim to be an editor in our Islamic community." Any overt endorsements by Reis Cerić of Radoncic's party would give Radoncic a boost among religious voters who see Tihic as overly secular; conversely, Radoncic can revel in his irreverent understanding of Islam if he so chooses. SDA Deputy President Asim Sarajlic told us that he overheard the Reis tell Radoncic at a reception, "People need to see you at mosque," to which Radoncic allegedly replied, "But Reis, I don't know any prayers!" Later, in a theatrical aside during a lunch with DCM, Radoncic held his wine glass aloft and said "I can't support radical Islam: I would be their first victim!"

The Hurdle: SDA

¶9. (C) Although it is too early to make concrete predictions, at this point it seems that even with the support of the Islamic community, Radoncic will be unlikely to make great gains in these elections at the expense of SDA. SDA has a well-established voting base, particularly in rural and semi-urban areas. Bosniaks considered SDA and its first President, Alija Izetbegovic, the protectors of their people during the war, and the limited success of splinter parties like SBiH in recent elections suggests that Bosniaks choose established parties over charismatic new leaders when they feel threatened (ref F). Even with SBiH's Tri-Presidency victory in 2006, SDA remained the largest Bosniak party, capturing more seats in both Federation and state legislatures than SBiH. Moreover, although Radoncic wields significant media power, he relies on SDA for financial support, due to SDA's connections with the FDB. Avaz treats Tihic with caution -- including by sidelining Tihic's repeated, direct attacks on Radoncic -- suggesting that Radoncic recognizes the risk in burning bridges with the most powerful Bosniak party.

SARAJEVO 00000134 004 OF 004

The Impact: Fractious Bosniak Politics

¶10. (S/NF) Although Radoncic treads carefully with SDA, he bears a longstanding animosity with the other major Federation-based party, the Social Democratic Party (SDP), stemming largely from his personal dislike of party President Zlatko Lagumdžija. However, Radoncic -- genuinely shocking Avaz editor Numanovic, who was also present -- told the DCM in January that he had recently met with Lagumdžija for over two hours to discuss a possible post-election coalition, which he may see as a means of sidelining SDA. Nonetheless, Avaz's consistent disparaging of Lagumdžija and Silajdzic -- as well as Radoncic's ties to the Reis, who also is on the outs with both men -- makes it less likely that either party will want to work with Radoncic before or after the elections. These inflammatory comments are likely to increase as the year progresses, which will contribute to a Bosniak campaign that may well be based more on personal attacks than on any potentially unifying issue. A strong showing for Radoncic in the elections would put him in a position to negotiate a place in a post-election coalition. Even if Radoncic serves in opposition, he will become one more strong personality in Bosniak politics that could undermine initiatives from moderate Bosniak parties. Moreover, Radoncic is powerful, due to his business ties and the strong influence of Avaz. He may be able to seriously damage any party inside or outside the coalition that challenges him. As the economic crisis shows no signs of

abating, Radoncic could become a greater force, given the hide-bound lethargy and backward-looking politics of many of his Bosniak opponents.

Comment

¶11. (S/NF) The collapse of the Prud process (ref G), the political and economic woes in the Federation (ref H), and the battle over the mayor of Mostar (ref I) are recent examples of the extent to which fractious Bosniak politics contribute to paralysis at the state and Federation level. Tihic's attempts to shore up the state have been held in check by opposition on his right flank -- Silajdzic, the Islamic community, and even Lagumdzija, who sees it as his duty as opposition leader to oppose any initiative the ruling coalition supports. If Radoncic succeeds in establishing a foothold in a new government, Tihic will face a more difficult battle in securing a unified Bosniak response to anti-state behavior from the RS and in taking a constructive approach to such initiatives as constitutional reform. Moreover, an alliance between Radoncic and Dodik, perceived as two of the country's more corrupt leaders, would send a very discouraging message to those in Bosnia and Herzegovina who are seeking the rule of law, especially the Bosniak intellectual elite.

Comment Cont'd

¶12. (S/NF) At the same time -- however distasteful it may be to us or others -- if Radoncic gains enough authority through the October 2010 elections to join a ruling coalition at the state or Federation level, his comparative lack of discord with RS leaders and pragmatic approach on issues ranging from economic development to constitutional reform and Euro-Atlantic integration could perhaps contribute to a more peaceful political situation in Bosnia and Herzegovina over the near term.

ENGLISH